Commonwealth of Massachusetts
Department of Telecommunications and Energy
Fitchburg Gas and Electric Light Company
Docket No. D.T.E. 02-24/25
Record Request Response

Record Request No.: DTE-RR-52 (Gas)
Please reconcile the roughly $7,000 difference between Mr. Harrison's functional allocation of uncollectible accounts expense to the distribution function of the Gas Division of $220,304 (Bates stamp 266 [Page 12-1 of JLH Gas Cost of Service Study], Line 17) and the Attachment DTE 5-4, showing $213,489 for this same amount.

Response:
Mr. Harrison's functional allocation of uncollectible accounts expense to the distribution function of the Gas Division of $220,304 (Bates stamp 266 [Page 12-1 of JLH Gas Cost of Service Study], Line 17) is based on an allocation and assignment of account 904 production costs computed individually by rate class. Using this methodology, the CGA percentage is calculated as 57.51%.

In contrast, Attachment DTE 5-4, showing $213,489 is based on an allocation and assignment of account 904 production costs computed using total company data as described in the footnote on Attachment DTE 5-4 and as calculated on DTE-RR-52, Attachment 1. Using this more simplified methodology results in a slightly different CGA percentage of 58.82% due to the nature of the mathematical formula used in this calculation versus the class weighted calculation used by Mr. Harrison.

The Company used the calculation performed by Mr. Harrison in his accounting cost of service study computed by individual rate class. In response to DTE 5-4, the total company basis was used to be consistent with the more simplified methodology used in Berkshire Gas Company, D.T.E. 01-56, at 97 (2002).

For additional information regarding the differences in these methods, please refer to the reconciliation at DTE-RR-52, Attachment #1. In addition, as a result of the differences between the two methodologies, the Company has also recalculated the uncollectible accounts expense on DTE-RR-52, Attachment #2, using 57.51% - the recalculated amount agrees to figures presented by Mr. Harrison.

Person Responsible: Mark H. Collin

Fitchburg Gas and Electric Light Company
Reconciliation of Bad Debt Expense Recovery Percentage
For the 12 Months Ended December 31, 2001

ACCOUNT 904 PRODUCTION COSTS COMPUTED INDIVIDUALLY BY RATE CLASS

(Reference Bates stamp 266, 336)

Rate Class			Gas Supply Costs to Serve Schedule JLH-7 Page 2 of 7 Col 19	COSS Target Total Revenues Schedule JLH-7 Page 2 of 7 Col 24	Percent Gas Supply to Target Revenues Col (1) / Col (2)	Direct Assign of Acct 904 to Rate Classes Schedule JLH-5-4 Page 12-1 Col 1, Lines 7-17	Acct 904 Prod Schedule JLH-5-4 Page 12-1 Col 2, Lines 7-17 Col (3) * Col (4)
			(1)	(2)	(3)	(4)	(5)
Resi Ht	Low	R3 & R4	7,846,588	13,338,128	58.83%	587,371	345,540
Resi No-Ht	High	R1 & R2	465,624	1,507,951	30.88%	32,634	10,077
Small C&I	Low	G-41	1,566,762	2,601,979	60.21%	30,091	18,119
Small C&I	High	G-51	354,750	654,889	54.17%	4,255	2,305
Med C&I	Low	G-42	2,443,774	3,488,954	70.04%	718	503
Med C&I	High	G-52	704,571	1,070,439	65.82%	1,883	1,239
Large C&I	Low	G-43	926,231	1,451,959	63.79%	0	0
Large C&I	High	G-53	508,161	1,076,465	47.21%	0	0
SUBTOTAL						656,952	377,783
					Subtotal of Col (5) / (4)		
Bad Debt Expense Adjustment					57.51%	(133,586)	(76,819)
Non-Utility Adjustment					57.51%	(4,937)	(2,839)
TOTAL COMPANY			14,816,462	25,190,764		518,429	298,125

ACCOUNT 904 PRODUCTION COSTS COMPUTED ON A TOTAL COMPANY BASIS

(Reference Bates stamp 336)

	Gas Supply Costs to Serve Schedule JLH-7 Page 2 of 7 Col 19	COSS Target Total Revenues Schedule JLH-7 Page 2 of 7 Col 24	Percent Gas Supply to Target Revenues Col (1) / Col (2)	Direct Assign of Acct 904 to Rate Classes Schedule JLH-5-4 Page 12-1 Col 1, Lines 17	Acct 904 Prod Attachment DTE 5-4 Page 1 of 1 Line 19 Col (3) * Col (4)
	(1)	(2)	(3)	(4)	(5)
TOTAL COMPANY	14,816,462	25,190,764	58.82%	518,429	304,940

Difference between Total Company Allocation and Rate Class Allocation **6,815**

Fitchburg Gas and Electric Light Company
Bad Debt Expense Adjustment
For the Twelve Months Ended December 31, 2001

Line #	Description			Amount	
1	Account 904 Bad Debt expense based on three year average net write-offs (net of 57.51% bad debts recoverable through the CGA See line 20 below)			$ 220,304	(a)
2	Less: Test year 2001 Account 904 Bad Debt Expense			282,490	
3	Bad Debt Expense reduction			$ (62,186)	
4	Net Write Offs - 12/31/99			$ 309,621	
5	Net Write Offs - 12/31/00			402,388	
6	Net Write Offs - 12/31/01			651,984	
7	Subtotal			$ 1,363,992	
8	Three Year Average Write Off (Line #7 / 3)			454,664	
9	Firm Revenues - 12/31/99 (less interruptible & sales for resale)			$ 15,244,030	
10	Firm Revenues - 12/31/00 (less interruptible & sales for resale)			19,175,333	
11	Firm Revenues - 12/31/01 (less interruptible & sales for resale)			21,029,400	
12	Subtotal			$ 55,448,763	
13	Three Year Average Firm Revenues (Line #12 / 3)			18,482,921	
14	Bad Debt Ratio (Line #8 / Line #13)			2.46%	
15	Test Year Adjusted Revenues	$	21,740,033		
16	Add: Weather Normalization		44,937		
17	Less: Interruptible Sales & Sales for Resale		(710,633)	$ 21,074,337	
18	Bad Debt - Gross Average (Line #14 * Line #17)			$ 518,429	
19	57.51% Recoverable through the CGA (gas cost component)[1]			(298,125)	
20	Account 904 Bad Debt Expense based on three year average net write-offs			$ 220,304	(a)
Note:	[1] 57.51% is from Gas Cost of Service Study (See Bates stamp 266, Line #17)				